

Holly Wise

Director, Global Development Alliance Secretariat
United States Agency for International Development

Fostering New International Partnerships

The United States Agency for International Development (USAID) is transforming the way development projects are funded abroad. Established in 1961, USAID has provided four decades of economic assistance and technical expertise to developing countries in the areas of economic growth, global health, democracy, conflict prevention, and humanitarian assistance. In 2001, USAID created the Global Development Alliance to foster public-private partnerships that marry the agency's international development know-how with the resources and innovations of the private sector. Through such partnerships, USAID has leveraged an additional four dollars from the private sector for every one dollar it invests toward international development. Holly Wise played an integral role in the creation of the Global Development Alliance Secretariat and is now its first director. In just two years, Wise says, "we have put about 500 million dollars' worth of public money into these new activities, and that's leveraged over 2 billion dollars' worth of private resources."

Wise describes the external factors that led to the advent of the Global Development Alliance: "If you look at resource flows in 1970 from the U.S. to developing countries, about 70 percent of those resources that flowed were official development assistance. It was government money, public money, and there really weren't a lot of other players out there. You didn't see corporations that were either sourcing raw materials all over the world or manufacturing and distributing products all over the world. You didn't have this phenomenon of globalization as such a force. You didn't have universities and the whole host of non-governmental organizations (NGOs) with the kind of reach and placement, and the tremendous skills and assets that they bring to addressing development issues today. There weren't a lot of players, and there wasn't a lot of private money that was going overseas."

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CAREER HIGHLIGHTS

- Director, Global Development Alliance Secretariat, United States Agency for International Development (USAID)
- Director, Office of Business Development, USAID
- Adjunct Professor of Political Science and USAID Chair, Industrial College of the Armed Forces, National Defense University
- USAID field assignments in the Philippines, Barbados, Kenya, and Uganda

countries are private flows, and only 20 percent are official development assistance monies. Now, that's particularly striking when you think that the U.S. is the lead donor in the world in terms of total dollars spent on foreign assistance, and yet we're the minority shareholder, if you look at the total resource pie, of U.S. resources that go overseas. It's a very different world than the one which we started in."

Why do companies seek to partner with USAID in the first place? "There are many companies now that need to understand new markets and view poor people not as a liability but an opportunity. It makes these companies more agile and competitive, and they will be ready to take up tomorrow's challenges. They're willing to work in emerging markets with others who can help them understand those markets better, and help them do the right thing with delivering products to, or sourcing goods and services from, the poor ... so there are lots of drivers, and some of them are philanthropic, and some relate more to core business needs. And I would suggest that there's nothing wrong with enlightened self-interest. We need to accept the fact that companies need to make a profit. The way in which we intersect with them is not to directly contribute to



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their profitability, but to find a win-win situation where we can work together to address global development issues.”

The Global Development Alliance is a framework that enables both public and private entities to bring their greatest assets to the table to address development challenges. With 40 years of international economic development experience and field missions around the world, she explains, “we know the local customs and the local officials. We understand the NGOs that are working there and the track records that they have. We have a whole network of contacts that are different from those that a company or a foundation might have.” Wise adds: “When we are sitting down and talking with, for example, a mining company, they don’t necessarily want or need to co-finance something with us, but they benefit from the fact that we know something about tuberculosis, or that we have active programs in Ghana, and know something about the way in which you link one activity with a whole set of other activities in order to have a sustainable program or a sustainable development activity.”

In Angola, USAID partnered with ChevronTexaco to revitalize the agriculture industry in a country torn by 27 years of civil war following its independence from Portugal. ChevronTexaco and USAID signed a Memorandum of Understanding (MOU) to establish the Angola Enterprise Development Alliance. The MOU outlines the objectives of the program, the amount of money each partner will pledge, and the administration of the development monies. USAID and ChevronTexaco both pledged \$10 million for a total of \$20 million for the Angola Alliance. USAID manages the funding and is responsible for oversight and impact measurement.

The resources that flow through the Enterprise Development Alliance in Angola are used to sponsor a series of projects to support small- and medium-sized businesses such as the establishment of a development enterprise bank and a training center to teach agricultural techniques to displaced persons and former soldiers. The first objective of the alliance,

Wise says, “is an agriculture revitalization program, which involves five U.S. NGOs that we have worked with over a long period of time and had an existing relationship with in Angola.” According to Wise, this alliance is exciting because “it means that there were resources to take it beyond what we had money for in the first instance, which was basically emergency feeding, and instead grow it to support seed multiplication, bringing tools to the farmers, helping these demobilized soldiers to go back to the land, after having the land mines taken off it. They could get back to work and plant their crops. The emergency food would tide them over, but they basically were making an investment in their future and able to get back into productive agriculture.”

The Enterprise Development Alliance of Angola is just one of many initiatives supported through USAID’s Global Development Alliance. “In the first two years that we’ve been building alliances, we’ve created many new relationships and expanded existing partnerships,” she notes. These alliances include major global corporations and foundations, such as Starbucks, Home Depot, British Petroleum, and the Conrad Hilton and Coca-Cola Foundations. Through these alliances, USAID has been able to bring critical new assets and creative approaches to address development challenges. Wise is quick to point out that “the real impact is the difference it makes for poor people overseas.... So it’s not the signing ceremony or how much you leverage, but what good it does that’s going to be really most important and most instructive for us.” ■

To learn more about the Global Development Alliance in the United States Agency for International Development, go to <http://www.usaid.gov/gda>.



The Business of Government Hour’s interview with Holly Wise is available via Real Audio on the Center’s website at www.businessofgovernment.org.



To read the full transcript of *The Business of Government Hour’s* interview with Holly Wise, visit the Center’s website at www.businessofgovernment.org.